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6 **UNITED STATES DISTRICT COURT**  
7 **DISTRICT OF NEVADA**

8

9 MARTIN ARANZABE, Derivatively  
10 on Behalf of LIVE VENTURES  
11 INCORPORATED

Case No.: Case 2:17-cv-01632-KJD-VCF

12 Plaintiff,

13 v.

14 JON ISAAC, TONY ISAAC,  
15 RICHARD D. BUTLER, JR., DENNIS  
16 (DE) GAO, and TYLER  
17 SICKMEYER,

18 Defendants,

19 and,

20 LIVE VENTURES INCORPORATED,

21 Nominal Defendant

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24 **STIPULATION TO STAY CASE PENDING**  
**RESOLUTION OF SECURITIES LITIGATION**

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26 Plaintiff Martin Aranzabe (“Plaintiff”), nominal defendant Live Ventures  
27 Incorporated (“Nominal Defendant” or “Live Ventures”), and defendants Jon Issac,  
28 Tony Isaac, Richard D. Butler, Jr., Dennis Gao, and Tyler Sickmeyer (“Defendants”)

1 (collectively, the “Parties”) jointly submit this Stipulation to temporarily Stay the  
2 Derivative Action (“Stipulation”), and in support thereof state as follows:

3       **WHEREAS**, Plaintiff filed the above-captioned derivative action against  
4 Defendants seeking to remedy their alleged breach of fiduciary duties and unjust  
5 enrichment (the “Derivative Litigation”);

6       **WHEREAS**, pending in the United States District Court for the District of  
7 Nevada (the “Federal Court”) is a putative securities class action captioned *Keith Kolish*  
8 *v. Live Ventures Incorporated, et. al.*, Case No.: Case 2:17-cv-01258 (the “Securities  
9 Litigation”);

10       **WHEREAS**, there is substantial overlap between the facts and circumstances  
11 alleged in the Derivative Litigation and the Securities Litigation;

12       **WHEREAS**, Nominal Defendant Live Ventures is also named as a defendant in  
13 the Securities Litigation (the “Federal Securities Class Action Defendants”);

14       **WHEREAS**, the Federal Securities Class Action Defendants anticipate filing a  
15 motion to dismiss the Complaint (or an amended complaint) for failure to state a claim;

16       **WHEREAS**, pursuant to the Private Securities Litigation Reform Act  
17 (“PSLRA”), 15 U.S.C. § 78u-4(b)(3)(B), “all discovery and other proceedings shall be  
18 stayed during the pendency of any motion to dismiss” and, as result, until the Federal  
19 Court decides the anticipated motion(s) to dismiss by the Federal Securities Class  
20 Action Defendants, the Securities Litigation will be stayed;

21       **WHEREAS**, in order ensure economy of time and effort for the Court, for  
22 counsel, and for litigants, Plaintiff, Nominal Defendant, and Defendants have agreed  
23 that, subject to Court approval, the Derivative Litigation should be voluntarily stayed  
24 on the terms set forth below.

25       **NOW THEREFORE**, it is hereby stipulated by and between the undersigned  
26 that:

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1       1. Counsel for Defendants shall accept service on behalf of Live Ventures,  
2 Incorporated, Jon Issac, Tony Isaac, Richard D. Butler, Jr., Dennis Gao, and Tyler  
3 Sickmeyer without waiving any defenses, other than sufficiency of service.

4       2. Gainey McKenna & Egleston shall serve as Interim Lead Counsel for  
5 Plaintiff in the Derivative Litigation.

6       3. Unless otherwise ordered by the Court, the terms of this Stipulation shall  
7 apply to shareholder derivative actions later instituted in, or transferred to, this Court  
8 that involve similar or related claims, or that are otherwise deemed related to this  
9 Derivative Action. When a shareholder derivative action that properly belongs as part  
10 of this Derivative Action is hereinafter filed in this Court or transferred to this Court,  
11 Interim Lead Counsel for Plaintiff shall serve and file an endorsed copy of this Order  
12 upon attorneys for plaintiff in the newly-filed or transferred action. Interim Lead  
13 Counsel for Plaintiff shall also advise the attorneys for any plaintiff in any such newly-  
14 filed or transferred shareholder derivative action that those attorneys must serve a copy  
15 of this Order on any new defendant(s) and file proof of service of this pre-trial Order  
16 with the Court. Any objections to consolidation or application of the other terms of this  
17 Order to the newly filed shareholder derivative case shall be filed with the Court  
18 promptly, with a copy served on Interim Lead Counsel for Plaintiff and counsel for  
19 Defendants. Unless otherwise ordered by the Court, the terms of all orders, rulings,  
20 and decisions shall apply to all later related shareholder derivative actions instituted  
21 herein.

22       4. During the pendency of this stay, Defendants shall give Plaintiff  
23 reasonable notice of any mediation with the plaintiffs in the Securities Litigation or the  
24 mediation of any similar or related derivative lawsuit or any other similar or related  
25 shareholder demand proceeding or similar or related shareholder books and records  
26 demand proceeding.

27       5. Notwithstanding the voluntary stay of this Derivative Action, Plaintiff  
28 may file an amended complaint. Such filing shall not constitute a Triggering Event, as

1 set forth in Paragraph 8, below, and Defendants shall not be required to move, answer,  
2 plead or otherwise respond to the Complaint (or any amended complaint) during the  
3 pendency of the stay of proceedings.

4       6. The Derivative Litigation shall be stayed, and no Case Management Order  
5 issued, upon the Court's so-ordering this Stipulation as an Order of the Court.

6       7. In the event that Defendants agree to produce, or any of them are ordered  
7 to produce by a court of competent jurisdiction, any documents pursuant to a  
8 shareholder books and records demand proceeding to any holder or beneficial owner  
9 of Live Venture stock, or in the Securities Litigation or in any shareholder derivative  
10 litigation in this Court or elsewhere, copies of all such documents shall be provided to  
11 Interim Lead Counsel for Plaintiff within ten (10) days, subject to the execution by  
12 Plaintiff of an appropriate confidentiality agreement and/or protective order governing  
13 the use and disclosure of these materials and proof that Plaintiff is a current holder of  
14 Live Ventures stock. Such production shall not constitute a Triggering Event, as set  
15 forth in Paragraph 8, below;

16       8. The stay of the Derivative Litigation shall be lifted upon occurrence of  
17 any of the following Triggering Events: (1) the dismissal of the Securities Litigation,  
18 with prejudice, by the Federal Court, and exhaustion of all appeals related thereto; or  
19 (2) the denial of any motion to dismiss the Securities Litigation filed by the Federal  
20 Securities Class Action Defendants; or (3) either of the Parties to this Stipulation has  
21 given a fifteen (15) day notice that they no longer consent to the voluntary stay of the  
22 Derivative Litigation. The Parties shall notify the Court within fifteen (15) days after  
23 the occurrence of any of the events above.

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